

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2017-305-E

IN RE:

Request of South Carolina Office of)
 Regulatory Staff for Rate Relief to)
 SCE&G Rates Pursuant to)
 S.C. Code Ann. § 58-27-920)

AFFIDAVIT OF JIMMY ADDISON

Personally appeared before me, the undersigned, Jimmy Addison, who being duly sworn states as follows:

1. I am the Executive Vice President and Chief Financial Officer of SCANA Corporation and South Carolina Electric & Gas Company ("SCE&G" or collectively the "Company").
2. As such, I have primary responsibility for managing the Company's finances and interacting with the financial community that provides the Company with the capital we invest in SCE&G's electric system to serve customers.
3. As part of my duties with the Company, I am in regular contact with investment bankers, rating agencies, investment analysts, lenders and investors.
4. I have personal knowledge of the matters discussed in this affidavit.
5. The purpose of my affidavit is to provide the Commission with information related to the Request filed in this action by ORS and its likely effect on the financial integrity of the Company.

6. The Request seeks an immediate order by the Commission reducing the Company's electric retail revenues by approximately \$445 million annually.

7. The filing of the Request alone has caused an immediate negative reaction by the markets.

8. On the first trading day after the request was filed, SCANA's share price dropped by 7.8%. Compared to its sector, SCANA's shares declined by 6.5% on that day.

9. This is an exceptionally large one-day drop in share price. I know from my contacts with members of the investment community that the primary motivation for this price drop was concern about the Request and the potential effects of the relief requested on the Company's finances.

10. The drop in share price occurred because of the possibility that the Commission might grant the relief sought in the Request. The Commission had not acted on the Request at that time.

11. Rating agencies have indicated that they are contemplating a material downgrade of the Company's credit ratings particularly if the Request is granted.

12. A rating drop of this magnitude will result in a significant restriction on SCE&G's access to capital markets and will increase borrowing costs which will ultimately be borne by customers.

13. The effect of the relief sought by ORS would be to reduce SCE&G's earnings on \$3.79 billion in capital it has invested in the new nuclear units (the "Units") to zero.

14. This would mean that SCE&G would be unable to recover any funds to pay debt service or earnings to the bondholders and equity holders who have underwritten all of the

nuclear construction costs, and as a result, a major portion of its recent investment in its regulated electric business.

15. This amount of \$3.79 billion represents a substantial percentage of SCE&G's investment in its electric system.

16. In my opinion, based on my knowledge of the investment community and to a high degree of certainty, granting the relief requested by ORS could endanger SCE&G's continued access to the capital it needs to invest in its utility system to continue to serve its customers in a safe and reliable manner.

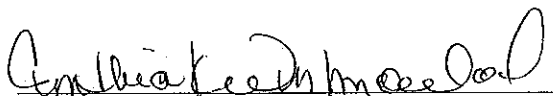
17. The rates that would result from granting the relief sought in the Request would not be just and reasonable or fair and reasonable as I understand those terms because they would not support the financial integrity of the utility, nor would they allow the utility reasonable access to the capital it requires to operate its system and serve its customers on reasonable terms.

18. Even if the resulting rates were suspended pending a hearing, granting the relief sought in the request would have an immediate and highly negative effect on the Company's perceived risk in the financial markets and could result in a significant impairment of the Company's access to capital on reasonable terms.

FURTHER AFFIANT SAITH NOT.


Jimmy Addison

SWORN to BEFORE me the 28th day of September, 2017.


Notary Public for South Carolina
My Commission Expires: 07-25-21